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A RAND NOTE

Operation Just Cause and the
U.S. Policy Process

Rebecca L. Grant

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A RAND NOTE

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Operation Just Cause and the U.S. Policy Process

Rebecca L. Grant

Prepared for the
United States Air Force

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PREFACE

This Note was prepared in response to a request by the Commandant of the U.S. Air Force Air Command and Staff College. The purpose of the research was to provide a case study examination of the changing objectives of U.S. policy toward Panama and the decisions leading up to Operation Just Cause, the invasion of Panama and deposing of Manuel Noriega. The Note focuses on the U.S. policy process, paying special attention to the difficulties encountered in formulating U.S. objectives.

In 1989 the United States once again found itself in the position of international policeman, intervening to end General Manuel Antonio Noriega's control of the political system in Panama and to protect U.S. interests and personnel. Because explaining the evolution of U.S. policies and objectives was the primary task of this Note, the emphasis is on the policy process in the United States rather than operational aspects of the intervention. The Note concludes with President Bush's decision to intervene. Research for the Note was completed in August 1990.

This research was undertaken as a direct assistance effort under the National Security Strategies Program of Project AIR FORCE. This Note is intended primarily for use within the curriculum of the Air Command and Staff College, but it will also be of interest to students of U.S.-Latin American policy and the U.S. foreign and security policy process.

SUMMARY

American policy toward Panama has been dominated by the Panama Canal, but the Canal has never been the direct cause of American military interventions in Panama. Since the late 19th Century, the United States has on occasion played the role of a policeman in Panama. Most of the U.S. interventions took place before the Canal was completed in 1914. Small numbers of U.S. forces were used to quell civil strife, assist particular factions struggling for control over Panamanian politics, or dispel other threats to the system of civil government. The last of these interventions occurred in 1925, when U.S. forces stationed in Panama subdued riots in Panama City.

Operation Just Cause was carried out in part for reasons that strongly resembled the earlier justifications for intervention. By the time Manuel Noriega became an internationally recognized menace and President Bush decided to intervene, the Canal itself was only a background issue. The Bush administration was far more concerned with ending Noriega's ability to use the Panama Defense Forces to control the country. When Noriega refused to accept the victory of an opposition party in the May 1989 elections, final proof that Panama's economy and its civil society could not function effectively as long as Noriega remained in power.

Few had foreseen the problems that Noriega would cause, and few expected that the United States would again choose to play the policeman's role. The decision to oust Noriega came as the result of a gradual shift in U.S. policy after 1987. The changes in U.S.-Panama relations from 1979-1989 pointed out several deficiencies in the U.S. policy process, and highlighted the recurrent problems with the military and politics in Panama.

In 1977, President Jimmy Carter signed a new treaty with Panama agreeing to transfer control of the Canal in the year 2000. When the United States agreed to grant Panama sovereignty and jurisdiction over the Canal, it seemed that the policeman's role characterized by President Theodore Roosevelt had come to an end. The negotiations on the Canal in the 1970s aimed at resolving growing anti-American tensions and establishing Panama as a stable, democratic nation capable of managing an important international waterway. Panama would gain greater autonomy and sovereignty over the Canal. The United States would be freed from the danger that the occasional outbursts of anti-Americanism could lead to a more serious threat to U. S. forces and other personnel in the Canal Zone and elsewhere in Panama.

During the ten years between the ratification of the Canal treaties in 1979 and Operation Just Cause, the situation in Panama worsened while the United States pursued other ambitions in Central America. Panama was pushed into the background, but the conditions for new controversy in U.S.-Panama relations were developing rapidly. In 1981, the Reagan administration made combating Leftist forces in Central America a priority. General Omar Torrijos, Panama's leader, died in an airplane crash that same year, leaving a power vacuum that Noriega soon moved to fill. Noriega consolidated his power at a time when the United States considered him something of an asset to the anti-drug activities. Finally, in neighboring Colombia, a syndicate of cocaine traders banded together to form the Medellin cartel in late 1981. Within a few years, the cartel and its operations became main targets of the U.S. war on drugs, a new foreign policy issue that ultimately led to the indictment of Noriega on drug charges.

Noriega's corruption was the best-publicized factor of the crisis in U.S.-Panama relations that led to Operation Just Cause. However, the most crucial question from the standpoint of U.S. policy was why the situation decayed to the extent that it mandated the largest (at that time) U.S. military operation since the end of the Vietnam War. By the late 1980s, both Panama's progress toward democracy and the security of U.S. interests in Panama were in jeopardy. The crisis in U.S.-Panama relations that followed the indictment of Noriega in February 1988 was also the product of early U.S. tolerance to the rise of Noriega. Similarly, the early, uncoordinated responses of the Reagan administration narrowed U.S. options. After Noriega was indicted and sanctions failed to produce results, force was the only remaining option.

Behind the problems in U.S. policy were difficulties in the policy process itself. During the Reagan years, serious divisions among policymakers in Washington contributed to an overall neglect of the situation in Panama. Also, new objectives in Central America caused the United States to rely on Noriega in the early 1980s, although the practice of turning a blind eye ultimately clashed with the priority of encouraging democracy in Panama.

The debacle of the May 1989 elections in Panama convinced the Bush administration that Noriega could not remain in power. Through the summer, officials of the new administration sought ways to pressure Noriega. In October, a group of younger Panamanian Defense Forces (PDF) officers unsuccessfully attempted a coup against Noriega. The coup attempt galvanized Washington and led directly to accelerated planning for the United States to use military force to support another coup attempt or to act

unilaterally to depose Noriega. After October, Noriega's erratic behavior increased the threat to the security of the more than 50,000 American civilians and military personnel in Panama. In December, the death of a Marine lieutenant prompted President Bush to give the order for Operation Just Cause. The success of Operation Just Cause reversed the years of neglect and the recent blunders in U.S. policy toward Panama.

ACKNOWLEDGMENTS

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I. INTRODUCTION

For more than a hundred years, the United States has taken a special interest in the Isthmus of Panama. In 1880, President Rutherford B. Hayes asserted that the United States had a right and a duty to maintain supervision over the region where a canal might be constructed and to protect American national interests. Even in the 1980s, after the United States had agreed to return control of the Canal to the Panamanian government, the United States maintained strong interests in Panama. Nearly 50,000 American citizens reside in Panama. The U.S. Southern Command headquarters are in Panama, and American servicemen have been based in the Canal Zone since the Canal was built. Above all, the United States has held sway over Panama's economic affairs. With these close relations between the two nations, the United States has taken a special interest in Panama's government and domestic political stability. Noriega's rule in Panama gradually threatened a wide range of U.S. interests.

This Note examines the policy process that led the United States to intervene in Panama. Operation Just Cause was motivated by the need to rid Panama of the effects of Noriega's control. The United States stepped back into a historically familiar role, acting as a policeman, intervening to restore order and protect the safety of Americans in Panama. However, the decay of the situation in Panama was not the only reason why it was necessary to use military force. When different U.S. policymakers began to focus attention on Panama, their responses to the problem varied widely. More important, after the crisis intensified in 1987, the Reagan administration failed to coordinate U.S. policy and to reconcile the interests and activities of the different government departments and agencies involved in Panama.

This Note is divided into six sections. Sections I and II survey the historical background of U.S. relations with Panama, which set the parameters for the 1989 intervention. These sections also document Noriega's rise to power and the growth of his influence in the early 1980s. Section III discusses the beginning of the crisis from the U.S. point of view, during the years 1985-1987. Another watershed was the U.S. indictment of Noriega on drug charges in February 1988. Section IV analyzes the failure of economic and diplomatic sanctions and explores the decisionmaking and planning processes leading to Operation Just Cause. The concluding section recaps the main problems with U.S. policy toward Panama in the 1980s, assessing how competing objectives swamped the policy process.

The sources for this Note fall into two categories. Considerable material came from published sources. For the background material on U.S.-Panama relations and on Noriega, two books were particularly helpful: David N. Farnsworth and James W. McKenney, *U.S.-Panama Relations 1903-1978*, Westview Press, Boulder, Colorado, 1983; John M. Dinges, *Our Man in Panama*, Random House, New York, 1990; and Edwin Lieuwen, *Arms and Politics in Latin America*, Council on Foreign Relations, New York, 1960. Other information on the 1988-1989 period was taken from numerous reports in the *Los Angeles Times*, the *New York Times*, and the *Washington Post*.

Second, important information on the U.S. policy process came from interviews conducted by the author with current and former civilian officials in the Department of State, the Department of Defense and the Department of Justice; and with military officers, especially in the Political-Military Affairs Division (J-5) and the Operations Division (J-3) of the Joint Staff in Washington. According to the conditions of the interviews, none of these individuals is cited by name. Because of the restrictions on citing information obtained from interviews, very few references are included in the text itself. To provide only a partial set of references to published sources would have been potentially misleading.

II. U.S. RELATIONS WITH PANAMA

Counting Operation Just Cause, the United States has intervened in Panama nine times. Most of the interventions took place in the late 19th Century, before the Panama Canal was built. During these years the United States actively assumed responsibility for intervening to reestablish domestic order. First, the Monroe Doctrine established that in principle the United States would move to block the influence of European nations in the Western Hemisphere. Henry Clay's interpretations of the Monroe Doctrine proclaimed that all the territory not settled by Europeans fell under the influence of the United States.

Just as important, much of Latin America was in upheaval following the retreat of Spanish control. The new groupings of states forming in the middle of the 19th Century sometimes looked toward the United States to ward off further intrusions from Europe. Also, as one scholar noted, the "collapse of Spanish authority in Latin America ushered in an era of predatory militarism" in the domestic societies of the region. Younger officers incited several rapid revolutions. The tradition of the caudillos—military officers who developed a sense of their right and destiny to govern—flourished before the end of the century. Officers in regional militias typically opposed the control of the more sophisticated land-holding aristocrats. During this period of state formation, the caudillo tradition ensured that military officers held a considerable potential for attaining political power. The new groupings of states often sought alliances with the United States to ward off further intrusions from Europe, or to guarantee U.S. assistance in the event of revolution. A treaty signed in 1846 won the United States an exclusive right of passage across the Panamanian isthmus in exchange for protecting New Granada, the country that became Colombia, from British incursions. The treaty was the first of a series giving the United States some form of authority to intervene in the Panama region. Between 1846 and 1903, U.S. troops landed in Panama seven times to put down insurrections.

Throughout this period, plans for building a canal across Panama or Nicaragua alternately flourished and faded. Commercially, there was little doubt that the canal would be profitable. Attempts were made by Britain and Belgium to organize a canal project, and the French abandoned one attempt after making a considerable start.

When Theodore Roosevelt became President, his Secretary of State John Hay cleared away entanglements from several older treaties. Congress passed the Spooner Act in 1902 and thereby selected Panama as the canal site in preference to Nicaragua. Although the

United States had made the decision to begin digging, Panama was still a province of Colombia, and Colombia was balking at granting the U.S. rights there. As the record of U.S. military interventions showed, the relationship between nation and province was a tumultuous one. When Colombia failed to ratify the Hay-Herran treaty granting a lease and the rights to build a canal to the United States, talk of secession resumed in the province of Panama. Colombia rejected the treaty outright in the spring of 1903. On 3 November, Panama revolted. U.S. warships on station in the harbor at Colon prevented Colombian troops from disembarking to subdue the revolt.

CLOSE RELATIONS

The United States quickly negotiated a better treaty with the new government of an independent Panama. Under the terms of the Hay-Bunau-Varilla treaty, the United States guaranteed Panama's independence from Colombia and "received in return the right to intervene in Panama's domestic affairs." This treaty provided the United States with a strip of land ten miles wide and a lease "in perpetuity" on the Canal to be constructed there. Panama's constitution of 1904 granted the United States the right to intervene in Panama to reestablish public peace.

The treaty with Panama and the new canal project solidified the U.S. policy of intervening to quell revolution and protect commercial interests in the region. Theodore Roosevelt explained in 1904 that the Monroe Doctrine obliged the United States to "exercise international police power" in the Western Hemisphere. American forces intervened when governments engaged in "chronic wrongdoing" or pressure from the military undermined civil society. Although the worst excesses of the military forces in several countries had ended by the early 1900s, disturbances continued. Roosevelt ordered an intervention in the Dominican Republic in 1904, shortly after he gave his interpretation of the Monroe Doctrine. A rebellion in the San Blas islands of Panama in 1925 led the United States to send a naval cruiser and several officials to mediate. Later that year, 600 U.S. troops dispersed rioters in Panama City at the request of the Panamanian government.

The policy of intervention epitomized in the proclamations of Theodore Roosevelt was effective for small crises. It also succeeded in blocking European intervention. Over the long term, exercising international police power did little to benefit U.S. relations with the states of the region, or to promote trade. In Panama, where U.S. interests were most prominent, a new generation of political leaders promoted nationalism. Resentment grew over the interventionist stance of the United States. In 1928, the United States formally

revoked the Roosevelt Corollary, which had asserted that the United States would intervene to preserve "civil society" as needed in Panama and other countries; or as Roosevelt himself phrased it, "speak softly and carry a big stick." By formally ending this policy, the United States renounced its overt role as the policeman in Central America in hopes of improving U.S. ties with the whole of the region. Yet Panama remained a special case.

The treaty with Panama was revised several times over the next five decades. Concessions were made to Panama, but the United States did not decrease its presence or authority in the Canal Zone. President Franklin Roosevelt's "Good Neighbor" policy of the mid-1930s strove to place relations with Latin America on a more equitable basis. In 1936, the United States accepted the principle of nonintervention in Latin America. Part of the policy eliminated the U.S. right to intervene in Panama City. In return, Panama conceded U.S. rights to conduct maneuvers on Panamanian territory and to defend the canal unilaterally. In 1955 the Eisenhower-Romon accords boosted economic aid to Panama. Despite these minor improvements, the inequalities in the relationship were reinforced by the U.S. possession of the Canal Zone and by Panama's economic dependence on the United States. Violent riots in Panama City in January 1964 demonstrated the depth of resentment directed against the U.S. ownership of the Canal. A year later President Lyndon Johnson agreed to a complete renegotiation of the canal treaty. In principle the United States would cede operation of the Canal to Panama. Negotiations began in 1965. Draft treaties were produced, but Panama rejected them in 1970. However, a new pattern had been set. General Omar Torrijos, Panama's military ruler since 1968, had made Panama's claim to the Canal an internationally prominent issue and stirred nationalist sentiment among the Panamanians.

NEW CANAL TREATIES

President Carter placed a high priority on the negotiation of a treaty when he entered office in 1977. He recognized that U.S. dominance of the Canal Zone had become a real obstacle in U.S. relations with Latin America. Carter's military advisers told him that the United States must maintain friendly relations with Panama in order to defend the Canal. In a hostile environment, the defense of the zone could require up to 100,000 troops, an excessive number at any time and especially in the aftermath of Vietnam. The Carter administration was able to build on the intermittent negotiations of the early 1970s. Treaties were agreed upon in September 1977 and, by staking considerable personal prestige on the issue, Carter won ratification in the Senate in 1979.

Few traces remained of the old U.S. inclination toward intervention. The aim of the new treaty was to ensure that Panama would make progress toward democratization and toward economic and political stability. While control of the Canal would pass to Panama in the year 2000, the 1977 treaty assumed that the United States and Panama would remain friendly partners. The treaties were based on an optimistic forecast for Panama's future. Panama would follow a timetable, holding free elections in the 1980s. Increased revenues from the Canal would stabilize Panama's economy. A Panamanian would be made Administrator of the Panama Canal in 1990. U.S. military bases would be retained until the year 2000, and after that date new arrangements could be made for a token U.S. force. Most of all, the treaties were intended to mark a new era in U.S.-Panamanian relations. After years of negotiation, each side had made substantial concessions. For the United States the treaty was intended to signal a formal abandonment of the policeman's intervention in domestic politics in Panama.

By 1979, only a few obstacles were left in the timetable for the final handover of the Canal in the year 2000. Many items on the State Department's list of technical and legal issues still outstanding would be handled before the initial 30-month transition phase ended in April 1982. U.S. relations with Panama were so good that Carter persuaded Torrijos to offer sanctuary to the deposed Shah of Iran in 1979, when virtually no other nation in the world would consider granting him asylum.

Part of the reason for optimism was the leadership of General Omar Torrijos and the changes he had made in Panama. Torrijos came to power in October 1968. Traditionally, Panama's leaders were members of an elite minority of whites, prominent because of their privilege and position in Panama's underdeveloped and racially mixed society. Torrijos was a new phenomenon. He ousted the redoubtable populist politician Arnulfo Arias Madrid, who had first been President of Panama in the 1940s. With Arias out of power, Torrijos was free to embark on an agenda of social reform and to increase his political power through the military.

Torrijos strengthened the sense of national identity in Panama partly by making the Guardia Nacional (or GN, direct predecessor of the Panama Defense Forces, or PDF) the nation's most important institution. The GN originated as a police force and had never exerted a strong presence in politics before Torrijos's ascent. In fact, the organization was created at Theodore Roosevelt's behest and deliberately structured so that it could not interfere with the civilian government. Just over a year after Arias fell, members of the GN attempted a coup against Torrijos. Torrijos had felt secure enough to leave Panama for a

brief visit to Mexico. On the morning of the coup, disloyal officers telephoned commanders at barracks across Panama to poll them on their support. This type of "barracks coup" was a nonviolent test of leadership. One of the most important figures to thwart the coup was Lieutenant Manuel Noriega, who refused to support the plotters and rallied the troops under his command to hold the airfield where Torrijos's plane would land after a hasty return from Mexico. With the coup defeated, Torrijos consolidated his power. Noriega was rewarded with the post of head of intelligence (G-2) early in 1970.

Torrijos also orchestrated a philosophy of reform promoted by his party, the PRD. It was the effort to make Panama a strong, independent entity, rather than the precise methods, that encouraged the United States. The spirit of "Torrijismo" included a statist approach to economic management. Under Torrijos, the GN was a major force for implementing the programs of social reform that Torrijos planned. Pressure on the Americans for a new Canal treaty was part of Torrijos's effort to ensure his domestic position and to bolster Panama's national pride and identity. Using this foundation, Torrijos tried to move Panama out from under the shadow of the United States. In the process, the power in Panamanian politics tilted toward the military and away from the white elite for the first time. Championship of the middle class and cultivation of support in rural areas generated the spirit of Torrijismo, a populist, nationalist sentiment that Noriega would later invoke as a political creed.

For the United States, Torrijos was more respectable than other Latin dictators but still an object of suspicion on occasion. Hearings on the Canal treaty uncovered Torrijos's habit of nepotism and produced charges that Panama was a major transshipment point for the drug trade. Also, Torrijos offered support to some of the left-wing revolutionary movements that began to take hold in the region in 1979. Yet despite breaking the tradition of civilian rule and enhancing the status of the GN, Torrijos was neither a special problem nor an exceptional character. In the 1940s President Arias had also been suspected of facilitating the drug trade. Panama was underdeveloped politically and economically, but Torrijos had done much to lessen inequality through his reforms. Therefore when the Canal treaties were ratified, the agreement to phase in democratic elections appeared to offer a graceful way to end Torrijos's military dictatorship.

But Torrijos had elevated the status and power of the GN to the point where releasing control over the government of Panama would not be easy. Several individuals who influenced Panamanian politics in the 1980s were encouraged by Torrijos's leadership. Among them were Hugo Spadafora, whose murder in 1985 generated national crisis; Jose Blandon, whose testimony in the United States later did much to publicize the problems in

Panama; and Colonel Diaz Herrera, who in 1987 would denounce Noriega's activities and control over Panama. They were a diverse group whose differences reflected the numerous currents of politics in Panama, but Colonel Noriega was the most important figure. As Torrijos's intelligence chief, Noriega expanded his occasional contacts with the CIA into a steady relationship. He also worked with SOUTHCOM in obtaining military intelligence. His successes and his continued loyalty to Torrijos soon established Noriega as one of the most powerful officers in the GN.

Had Torrijos lived to oversee the transition, civil institutions might have successfully reduced the role of the military. Instead, on July 30, 1981 Torrijos was killed when his light airplane crashed, putting the process of democratization that was integral to the 1977 treaties at risk. Elections were not scheduled to take place until 1984. Three of his deputies remained to fill his place, but now they had a period of three years to shuffle power among themselves. General Ruben Paredes immediately filled the role vacated by Torrijos as head of the GN. Paredes, Colonel Noriega, and Lieutenant Colonel Diaz Herrera met to work out among themselves a complicated system for sharing and rotating power. In the first step of the plan, Paredes would resign to seek the presidency of Panama, supported by Noriega, who would become the new head of the PDF. At some point before the 1989 elections, Noriega might then make a similar transition leaving Diaz Herrera, a cousin to General Torrijos, in charge of the PDF. The arrangement was weak compared with the authority exerted by Torrijos. In retrospect, Noriega may have determined from the outset to solidify his own control and stay in power long enough to receive transfer of the Canal from the United States in the year 2000.

In March 1981, well before the death of Torrijos, the goals of U.S. policy in the region began to shift against the backdrop of expanding guerrilla warfare and drug activities in Central America. Also, Ronald Reagan was inaugurated in January 1981. Reagan was not an ardent supporter of the idea of handing back the Canal. His 1976 campaign slogan on the Canal was "we bought it, we paid for it, it's ours." Traces of this attitude colored the views of some Reagan appointees. But in the early 1980s the apparent spread of Marxist regimes in Central America galvanized U.S. interests in the region. Panama's ability to break the military's dominance of its political process came into question around the same time. However, the United States was preoccupied with its increasingly active anti-Marxist policies in Central America and did not make the problems in Panama a priority until 1985. In short, the agenda for U.S. policy in the region was dominated by other objectives.

At the same time, it was known that Noriega kept up a close relationship with Cuban intelligence officials, a relationship that Torrijos had cultivated. Also, from 1981 to 1983, Noriega's cooperation with the Medellin cartel expanded from granting permission for flights to assisting with money laundering and skimming some of the profit. While these activities were known to some in the United States, Panama was not a priority as long as U.S. forces there were safe. The efforts to support the Contras fighting in Nicaragua and to bolster El Salvador completely overshadowed Noriega's activities.

Meanwhile, by capitalizing on the weak power-sharing arrangement in Panama, Noriega accumulated greater power. First, Paredes resigned to run for President, in keeping with the threesome's plan. Noriega became head of the Guarda Nacional in August 1983 and changed its name to the Panamanian Defense Forces (PDF). Contrary to the gentlemen's agreement, the PDF under Noriega declined to support the candidacy of Paredes. Arnulfo Arias Madrid again rallied popular support for his own candidacy. Had the vote been reported fairly, Arias might well have won the election. Twice before, the military had removed Arnulfo Arias from office, and in effect the same thing happened in 1984. With Noriega in power, his chosen candidate Nicolas Barletta was elected to the presidency in May 1984 amidst allegations of massive election fraud.

Barletta was acceptable to the United States because Noriega was not yet considered a serious problem and the U.S. objective in Panama remained to try to keep the treaty process going. Overall, U.S. officials saw no alternative. Barletta had been closely involved in negotiating the Canal treaties as Minister for Political and Economic Affairs under Torrijos. He was aware of the economic difficulties facing Panama, and he spoke convincingly about trying to correct them. The United States hoped that Barletta might be able to reduce Panama's debt and break the cycle of economic overprotection. Furthermore, Barletta and Noriega did not have leftist ties as did other Panamanians from the Torrijos era, such as Diaz Herrera and Hugo Spadafora.

Noriega's rise to power as head of the PDF and his ability to manipulate supposedly democratic elections did not alarm the United States unduly. In certain respects, Noriega was an asset. He won approval for reorganizing the PDF in a manner that would enable Panama to take responsibility for the defense of the Canal in due course. In the earliest years of Noriega's leadership, U.S. observers resigned themselves to the fact that the PDF would continue to dominate politics in Panama. Not until the middle of the decade did Noriega shift from being an ally of sorts to being a problem. As one former ambassador to Panama noted, it was power and acquiring more of it that motivated Noriega. In those years,

Noriega cultivated contacts in Washington and was hosted by U.S. officials on several visits. As long as Noriega fulfilled a role of some value, the United States did not scrutinize his activities closely. Diplomats maintained that while Noriega's reputation was widely known, no firm evidence of his involvement in drug dealing or other activities was presented to them in the first half of the decade. Noriega's connections with Cuba were more worrying, but the United States was prepared to let him play his double game.

The progressive outlook on Panama of the late 1970s had faded entirely by the end of the Reagan administration's first term in office. As Reagan's second term began, the United States had no intention of resuming a policing role in Central America or brandishing maxims from Teddy Roosevelt. However, the United States had an important agenda in Central America and full intention of playing an active role. Reagan's policy was to oppose the Marxist and leftist movements in the region, to safeguard U.S. interests such as the Canal, and later to combat the drug trade. Cooperation from Noriega was one of the ways that the United States could exert influence and support its objectives covertly, not overtly. Public opinion would not tolerate U.S. intervention in Nicaragua, for instance, so the U.S. base of operations in the Canal Zone became one of the staging points for U.S. activities.

NORIEGA IN CONTROL

The first genuine concern in the United States over Noriega and the future of Panama came in 1985. In September, Hugo Spadafora, a prestigious and vociferous critic of Noriega, was murdered. Spadafora was a well-known figure, with ties to the Contra forces fighting in Nicaragua and an association with the Miskito Indian minority in Nicaragua. Spadafora had a background as a revolutionary; his anti-American sentiments gave an extra edge to his popularity and integrity in the eyes of many Panamanians. Years earlier the animosity between Spadafora and Noriega had deepened. In 1985 Spadafora openly criticized Noriega's ties to the United States and levelled accusations of drug involvement. Later that year, Spadafora disappeared while making a routine crossing into Costa Rica from Panama. One morning in mid-September, a peasant found Spadafora's body stuffed in a mailbag with the legs protruding from the shallow river where it lay. The body had been decapitated and the head was never found. Evidence gathered by the Costa Rican authorities soon linked the PDF to the murder.

When word of Spadafora's murder reached Panama City, angry demonstrations and rumors that the PDF had killed Spadafora prompted President Barletta to call for a more complete investigation. The outcry over Spadafora's murder placed Barletta in a difficult

position, and Barletta failed to exercise what authority he commanded. Late in September 1985, Noriega returned from a stay in France just as Barletta unwisely departed for meetings in New York. Noriega charged President Barletta with disloyalty and interference with the PDF. A few U.S. officials encouraged Barletta to defy Noriega, but the squabble attracted little attention at higher levels of the U.S. government. Shortly after Barletta returned from New York to Panama City, Noriega compelled him to resign. First Vice President Eric Arturo Delvalle was installed to succeed Barletta and planned to serve out the term of office until the end of August 1989.

Barletta's forced resignation ended pretenses about the extent of Noriega's control. Looking back after Operation Just Cause, many observers recalled that Spadafora's murder and Barletta's departure marked the first major turning point in U.S.-Panamanian relations. It was now obviously unrealistic to expect the transition to full democracy to continue as specified in the treaties. Immediately after Barletta resigned, U.S. Ambassador to Panama Everett Briggs recommended strongly that the United States impose economic sanctions. The events temporarily shook Washington's complacency. Through diplomatic channels the United States signalled disapproval of Noriega's actions. However, new President Eric Arturo Delvalle privately asserted that he could manage Noriega. Officials were disquieted, but overall Panama was still not a high priority compared with other regional problems. No thought was given to intervening.

The United States pursued a routine tactic of sending "signals" to Noriega indicating U.S. displeasure with the recent events. Vice Admiral John Poindexter had just been appointed as National Security Council (NSC) adviser when he stopped briefly in Panama in the fall of 1985, during a trip around the Central American region. Accounts of what was discussed in the meeting vary, but Poindexter did upbraid Noriega and insisted that the general's drug-related activities cease. Poindexter may or may not also have asked Noriega for continued cooperation in the U.S.-backed Contra operations. Whatever the specific topics of this meeting, Noriega's cooperation was still important to U.S. counterinsurgency activities. Thus, the "signals" from the United States constituted a reprimand and not a firm change in U.S. policy.

No major change in U.S. objectives was implemented after the ouster of Barletta because the focus of policy lingered elsewhere in the region. However, different views on the problem of Noriega began to emerge in Washington. One State Department official explained that the U. S. government was giving thoroughly mixed signals. The stated policy, backed by Ambassador Briggs and Assistant Secretary Motley, was to try to avoid a

new Somoza (the dead Nicaraguan dictator) and to support real civilian rule. The body language that Noriega saw from CIA, military intelligence, and some in DoD suggested that if he could consolidate his hold, his friends in Washington would take care of things. The State Department could be safely ignored.

For a crucial period from late 1985 through mid-1987, opinion in Washington split on the issue of whether Noriega's power was a threat to the domestic political stability in Panama. The White House did not step in to reconcile the competing views. During those months two factors nevertheless brought Noriega to public attention and moved the situation in Panama higher on the U.S. agenda in Central America. First was the emphasis on interdicting the drug trade and its growth as an urgent national issue. As the war on drugs took the limelight, allegations about Noriega became an issue in U.S. policy but without careful consideration of the effect on traditional security and diplomatic concerns. Once Noriega was portrayed as an entrenched evil, the United States became concerned with the viability of the Canal treaty and the plan for the United States to decrease its presence in Panama. The safety and smooth transfer of the Canal were long-term goals that might now be threatened. However, the question of Panama was pushed most forcefully in this period by two somewhat unexpected sources: the U.S. Senate and the Department of Justice.

Noriega's control over Panama attracted attention in Congress because of the link with the drug trade. The Congress was an important contributor because its outlook broadly shaped the extent to which the administration would be able to exert economic and later military pressure on Noriega. In the Senate, Republican Senator Jesse Helms of North Carolina conducted hearings on Panama and Noriega in March and April 1986. Refusing pleas from the Reagan administration, Helms forged ahead with the hearings. Portions of the hearings were conducted in closed session so little word of them reached newspaper headlines. However, the Helms hearings uncovered disturbing information about Noriega's role in the Spadafora murder. From that point on, mounting interest in Congress would help motivate orchestrated pressure on Noriega. Associating Noriega with the drug trade strengthened his opponents in Congress, forging unlikely alliances across party lines. Unlike the differences of opinion that had characterized Congressional input to U.S. policy toward the Contras, opposition to the drug trade was solid and effective. Yet Noriega remained a major player in the drug trade for only a brief period of time.

In June 1986, investigative reporter Seymour M. Hersh broke a story in the *New York Times* entitled, "Panama Strongman Said to Trade in Drugs, Arms and Illicit Money." Hersh's prestige as a reporter gave the story authority because his references to information

received from top administration sources were widely accepted. Not only was Noriega tarred, U.S. officials (anonymously) disclosed their knowledge of his actions. Disturbing links between Noriega and Fidel Castro in Cuba were listed. In 1984, Noriega had mediated a dispute between Castro and the Colombian Medellin cartel. *Washington Post* reporter Bob Woodward followed Hersh's story with a more detailed account of how the United States employed Noriega as an intelligence asset. These in-depth articles put Noriega on the public agenda. They also showed the Reagan administration in a poor light.

Perhaps the greatest irony of these articles was their timing. Noriega was in Washington when the stories appeared in print. By the time he left, Panama was a public issue. More attention from the Congress and the public meant that the United States would not be able to deal with Noriega quietly if he continued to tighten his hold on Panama.

More than any other single issue, the drug trade began to put the United States back into the role of playing policeman in Panama. Allegations about Noriega's connections with the Colombian drug syndicates generated a sense that the United States might have to act. This sense developed only unevenly among officials in Washington and without close coordination by the White House.

The attention from Congress and the press spurred the most unique and crucial development in U.S. policy: the idea of indicting Noriega on drug charges. A major new U.S. objective was developing outside the normal realm of foreign policy formulation. Bringing Noriega to justice was an entirely new approach to policing Panama's domestic politics. At the Justice Department, a few years of experience with tracking and indicting members of the Colombian Medellin drug cartel had led to a different approach. Working at a low level and in traditional autonomy from other departments, investigators for the Department of Justice were gathering material to deal with Noriega in their own formal way. Before the murder of Spadafora, a DEA agent had started to assemble a case against Noriega. Based in Miami, agent Dan Moritz was attempting to break an airborne drug smuggling operation. In the process Moritz found witnesses with connections to Noriega. Then in the fall of 1986 the U.S. Attorney's office in Miami gained the testimony of a witness who would provide crucial evidence for an indictment of Noriega. At the same time, the DEA stated in an annual report that the government of Panama had "cooperated fully" with DEA's efforts. Recent successes—one of which had resulted in the indictment of two members of the Medellin cartel—had required the DEA to trust PDF officers with sensitive information. To some, Noriega was useful. To others in the U.S. government, he was a liability.

Noriega did have defenders in Washington who argued that the congressional and media attention was distorting the problem. CIA Director William Casey lobbied to squelch an amendment proposed by Senator Helms that would force the CIA to report information on the types of charges outlined publicly by Hersh and Woodward. Casey reportedly told Helms that Noriega still played a constructive role for the United States, doing things Casey did not want to have to disclose to a prying senator. In September, Major Oliver North met with Noriega in London to discuss how Noriega and the PDF could help to carry out more operations against the Sandinistas. To Casey and North, as long as supporting the Contras was the major U.S. objective in Central America, turning a blind eye to Noriega's illegal dealings did not conflict with U.S. policy.

In the State Department the view of Noriega had long since soured. Officials there worried that Noriega could become an impediment to the whole of U.S. policy in the region. Most of all, the process of democratization integral to the Canal treaties was turning into a farce. President Barletta had promised to stem the economic deterioration of Panama. Now that Barletta was gone Noriega did not seem concerned with the legitimate economy. From the State Department came two contrasting viewpoints: those who considered Noriega an odious but inescapable fact of life and those who pushed hard for his removal. Among members of the latter category, several factors seemed to be at work. One was a concern over Panama's doubtful ability to emerge as a self-supporting democracy and the threat this posed to the treaty process.

These conflicting positions were not just rivalries among bureaucrats: separate policies and objectives were being pursued. Policy toward Panama was determined by other interests among policymakers: the Justice Department's enthusiasm for indictments and the NSC's concentration on the Contras, to name two. The drawbacks of the decentralized system of policy formulation and evaluation under the Reagan administration became apparent. The system did not reconcile the conflicting positions among key government actors. Therefore, Noriega was effectively able to maneuver between State Department disapproval and less harsh attitudes elsewhere. While U.S. policymakers were developing their initial reactions to the problem, Noriega's control over Panama was consolidated.

Although ambivalence was the basis for U.S. difficulties in dealing with Noriega, two other factors were also important. Policymakers agreed that the alternatives available to the United States were limited. No clear replacement for Noriega existed and the United States was far from being ready to depose Noriega forcibly. Also, another set of elections was scheduled for May 1989. There was a sense that the United States would have to wait and

see if those elections would produce a favorable outcome and award the presidency to an individual who would carry out the prescriptions of the 1977 treaty. Applying subtle pressure and counting on either a change in government or an improvement in Noriega's conduct seemed the only feasible courses. Working with leaders like Noriega had long been a necessary part of U.S. interests in Latin America. As one diplomat said, "Noriega was an obscene little man" but not extraordinary in the Central American environment. On the contrary, Noriega's Panama was largely free of the incessant human rights violations that plagued other nations.

III. THE CRISIS BEGINS

After several months of growing discontent among U.S. policymakers, events in Panama in 1987 moved toward crisis. Noriega suddenly looked more and more as though he would continue to disregard U.S. disapproval of his activities and flaunt his hold over nearly every aspect of civil government in Panama. Transferring the canal to Panama was an issue that still aroused sensitivities in the United States. With Noriega in control, it would be difficult to argue that Panama was a stable, democratic society worthy of taking charge of the international waterway and of reaping the benefits. Public protests against Noriega emphasized that the PDF was an impediment to the democratic system. Noriega's sullied reputation also was turning into an embarrassment for the United States, precisely because of the unique and close relationship between the two nations—a relationship that had continued to be important to the United States in the 1980s.

The first major event was a shakeup inside the PDF. One of Noriega's rivals within the PDF, Chief of Staff Colonel Diaz Herrera, was maneuvered out by Noriega and took revenge by publicizing more accusations against the general. Diaz Herrera had been out of favor since the autumn of 1985, when he half-attempted to lead a coup against Noriega while the general was in France at the time of the Spadafora murder. Diaz Herrera and Noriega had a history of rivalry, but Diaz Herrera was nonetheless an influential member of the PRD, the political organization that was the second pillar of Torrijismo alongside the PDF. Spadafora had once traced the roots of his popular support to the PRD. On May 25, 1987, Noriega informed Diaz Herrera that he must resign as Chief of Staff for the PDF. In retaliation Diaz Herrera sought a television interview in Panama and attacked Noriega directly, accusing him of illegal activities and of direct involvement in the Spadafora murder. Demonstrations by the upper and middle class rocked Panama City, but Noriega was able to reassert control.

The serious charges made by Noriega's former associate were too much for the U.S. Senate. In 1986, Senator John Kerry of Massachusetts (a liberal Democrat) and the conservative Senator Helms had formed an alliance to investigate Noriega and his ties. Employing the Subcommittee on Terrorism, Narcotics and International Communications, an offshoot of the Senate Foreign Relations Committee, staff assistants for Kerry and Helms assembled a case of their own against Noriega. The demonstrations in Panama made it clear that Noriega's hold on the PDF was at the center of the turmoil. On June 26, 1987, the U.S. Senate passed a resolution calling for Noriega to step down.

News of the resolution sparked anti-American demonstrations in Panama. A crowd attacked the U.S. embassy, splattering paint on its walls. Subsequently, the Organization of American States passed a resolution criticizing the overtones of foreign interference in Panama. Washington was reminded of the negative attitudes toward U.S. interference in Latin America.

Shortly after this incident, branches of the U.S. government placed Panama higher on the priority list. A "restricted" interagency group convened to review possible U.S. options should Noriega remain at the head of the PDF. The purpose of convening the interagency group was to iron out differences and recommend policy options at a working level, saving the most senior officials from lengthy deliberations and freeing them to make decisions. Over the next several weeks, the administration reevaluated the situation in Panama. For the first time there developed a clear sense that Noriega would not resign from the PDF on his own. However, the major differences between responsible officials had not been resolved. At the level of interagency review, definite objectives for U.S. policy still were lacking because of divisions among policymakers. The degree to which different officials perceived Noriega as a major problem—and one that the United States should do something about—varied considerably.

Also, it was very difficult to predict what it would take to uproot Noriega and what the attitude of his successors might be. For years there had been calls to remove SOUTHCOM and the American forces from Panama. A new regime, especially if it had a leftist inclination, might insist that U.S. military forces withdraw or drastically reduce their force levels. Noriega was willing to tolerate the presence of U.S. forces. At worst, it was feared that a left-leaning successor to Noriega might demand that the United States relinquish military installations that were a valuable asset for operations in the Central American region. Looming in the background were the problems of protecting the large number of American citizens resident in Panama and of defending the canal. Likewise, the alternatives to Noriega's de facto leadership were few. One of the other senior PDF leaders, for example, was Colonel Nivaldo Madrinan, head of internal investigations in the PDF. A U.S. diplomat described Madrinan as "Noriega's chief torturer." With the alternatives to Noriega so unappealing, the United States continued to place its efforts on diplomatic signals of disapproval, wondering all the while what would happen if Noriega did not heed the signals.

As far as SOUTHCOM and the JCS were concerned, Noriega was first and foremost a fact of life in Panama. SOUTHCOM had dealt with Noriega for years and there was no reason to assume that the United States would have much choice except to continue to deal with him. From the proximity of their facilities to their everyday working contacts, SOUTHCOM and the PDF were closely linked. For the most part, the U.S. military facilities in Panama were not separate bastions but highly permeable installations mingled in with the urban setting. Many dependents and servicemen lived off base. In 1987, the military advice was against raising the heat on Noriega while U.S. personnel were potentially vulnerable. This conclusion was a natural response to years of inattention from Washington when the only choice had been to adapt to conditions as they existed in Panama.

Probably the best example of the divided objectives in the policy process during the summer of 1987 was the final preparation of the indictments. Diaz Herrera's revelations provoked a swing of sentiment against Noriega and led the investigators who had been collecting evidence against him to redouble their efforts. Under the Reagan administration, indictments had been made against several Colombian drug cartel members. According to one source, the Reagan administration believed strongly in the usefulness of the indictment as a tool. The investigators were following a pattern used in other dealings with the Medellin cartel, but only one precedent existed for indicting a foreign leader. In 1985, Norman Saunders, minister of the Turks and Caicos Islands in the Caribbean, had been indicted on drug charges. The real problem was the failure to anticipate the effect of the indictments on U.S. policy toward Panama. While the Justice Department was preparing to establish Noriega as a criminal, little thought was given to whether the United States would be able to act successfully in a new role as the anti-drug policeman.

The grand juries in Miami and Tampa operated independently of the foreign policy process in Washington. The U.S. attorneys were maintaining a practice of working independently of the State Department. In talking with witnesses, the U.S. district attorneys in Miami and Tampa had to uphold ethics that prevented them from sharing the information of the witnesses freely. This "legal intelligence" was as closely guarded as national security information, but in this case the safeguards led to a lack of coordination that would prove detrimental to U.S. policy. While the U.S. attorneys worked to indict Noriega, the Drug Enforcement Agency contested the effort. In mid-August, as word of the indictment process spread outside Florida, the incidents of Noriega's cooperation with the DEA also became a factor. "The DEA would rather live with Noriega, given the alternatives," a Justice Department official stated. DEA agents in Panama tended to believe that there were "more benefits than negatives in dealing with Noriega."

The interagency group meeting on Panama that summer and autumn in Washington monitored news of the grand jury hearings with interest. But the idea that Noriega and his associates might actually be indicted seemed far-fetched. Justice Department representatives had not been asked to attend the meetings regularly at this point. The strength of the war on drugs mission pursued by the Justice Department literally established a new objective for dealing with Noriega. Yet the decentralization of the policy process meant that the State Department, for instance, had little effective input on the decision to indict. Consequently, at no point was a decision made on how indictments would affect overall U.S. policy. Since the interagency group did not take the Florida proceedings seriously, no attempt was made to stop the indictments. Stronger coordination and leadership above the level of the interagency group would have been required to halt the prosecutors. More disturbing, there appears to have been no effort made to calculate Noriega's reaction and its potential influence on his behavior.

Interagency discussions raised numerous undercurrents, but Washington's strategy was still to apply disapproval and wait to see if domestic forces in Panama provided an opening. After June 1987, the World Bank imposed economic sanctions on debt-burdened Panama. Jose Bandon, a prominent Panamanian and Torrijista, came to the United States in the fall of 1987 claiming to represent both Noriega and the elements of domestic opposition in Panama. The premise of these negotiations was that Noriega could be persuaded to retire and to work out his differences with the United States. Jose Bandon pointed out that the indictment proceedings were a potential obstacle to negotiations. He met with Undersecretary of State Armacost in November, who agreed that in theory the indictments could be stopped, but apparently no action ensued.

With the Bandon talks under way, a concerted effort was made to send sterner signals to Noriega. Late in December 1987, Assistant Secretary of Defense Richard Armitage met with Noriega in Panama to convey a tough message. A former chief of Staff for Vice President George Bush, Rear Admiral Daniel Murphy (Retired), also went to talk with Noriega. Back in the interagency meetings participants from various departments wondered what options they could devise if Noriega did not heed the signals.

Finally, U.S. military assistance to the PDF was stopped in mid-December. Terminating military assistance foreclosed the option of bargaining with the PDF through these means. In effect this reduced the ability of SOUTHCOM to deal effectively with the situation by influencing contacts with the PDF. Since the PDF encompassed the only infrastructure in Panama, the diminished contact was a loss. The move to cut military

assistance underscored the potential dilemma of protecting U.S. citizens from PDF harassment. It also signified the first major shift in U.S. policy as seen from the effect on SOUTHCOM. Whether the move was wise remained to be seen, since the overall U.S. objectives had not been clearly articulated.

Early in 1988, another source of contact ended as the talks with Jose Bandon faded. Bandon lost whatever slim element of confidence Noriega had in him by January, and there was no longer any reason to continue the talks. Bandon was removed by Noriega from his post as Consul General for Panama in New York City on January 14, 1988. A month later Bandon would begin the sensational testimony in congressional hearings that would publicize the reasons for the U.S. indictments. Indeed, as the negotiations with Bandon sputtered, the indictments gained momentum in late January 1988.

State Department officials learned that the indictments were nearing completion only a week before they were announced. The two U.S. attorneys on the case in Florida, Jack Kellner and Dick Gregorie, flew to Washington on February 1, 1988, so that Attorney General Edwin Meese could approve the indictments. Kellner and Gregorie also met with NSC adviser John Negroponte in the White House and with an interagency group that included representatives from the State Department, the Department of Defense, and other agencies. With the indictment already prepared and approved by Negroponte and Meese, apparently few objections could be raised. Again the Congress was an important factor. Senators Kerry and Helms had plans to begin hearings featuring Jose Bandon as a star witness. It would be tricky to justify the decision to drop the indictments, since indictments had been used frequently in the anti-drug effort and negative opinion on Noriega was strong in Congress. Also, Kellner had at one point been involved in an investigation of the 1986 Iran-Contra scandal. Apparently, no one wanted to take the blame for slowing an investigation that touched on some of that ground. Reportedly, one official at the NSC grumbled about foreign policy being made in the Justice Department. The attorneys replied that they were indicting a crook, not making foreign policy. Factually they were correct, but the indictments became a centerpiece of U.S. policy toward Panama, at some cost.

The indictments were made public on February 5, 1988. Immediately, one administration official speculated to reporters that they might cause Noriega to "dig in his heels." A former U.S. ambassador to Panama called the indictments a "negative factor." Even among those advocating a more active U.S. role in ousting Noriega, the indictments were seen as a mistake. Shock was the prevailing reaction in the interagency group. However, no agency objected to the public release of the indictments. The indictments

added a major new objective to U.S. policy but did not serve the interests of such actors as the State Department and the NSC. Indicting Noriega was consistent with combatting drug smuggling but not with easing Noriega out of his position in Panama.

The charges made in the two indictments carried severe penalties: One entailed a maximum term of life in prison and a \$1.4 million fine, the other a term of 20 years and a much smaller fine. Panama's de facto head of state was charged with several counts of drug trafficking and racketeering. Intriguingly, the evidence in the Miami indictment covered the period 1981-1986, while the Tampa indictment was narrowed to the years 1982-1984. Fifteen other individuals were also named in the pair of indictments.

It would not be easy for the United States to act on the evidence. The 1903 treaty and subsequent revisions to it did not oblige either party to extradite its own nationals. The United States did have extradition treaties with most other nations; consequently, a deal allowing Noriega to retire in exile would now be more complicated. If Noriega had retired to the Dominican Republic, where he had business and family ties, the United States could extradite him through its treaty with that country. Similar situations applied around the globe. The indictments intensified pressures on Noriega, yet restricted the range of U.S. options. Questions lingered as to why the indictments had been announced instead of being presented secretly. Secret indictments were frequently used in cases where district attorneys wished to prevent a suspect from fleeing because of word of an indictment. At one point there was discussion of indicting Noriega secretly, then perhaps inviting him on an official visit to the United States and arresting him. One aspect was clear: By the time the grand juries had finished hearing evidence, no one wished to interfere with the indictments.

Around February 19, it was reported that Assistant Secretary of State Elliot Abrams had suggested that the United States might offer to drop the indictments if Noriega agreed to go into exile. The Justice Department announced that it would oppose any attempt to retract the indictments. Protests of outrage came from Noriega's spokesmen, and some U.S. officials began to worry over the safety of the approximately 50,000 Americans in Panama. Still the United States had limited scope for initiative. The indictments decreased the chances for the United States and Panama to work out some settlement and keep the process of handing over the Canal on track.

Indicting Noriega was a clear statement that the United States would not continue to tolerate the PDF control over Panama. The hostility between the two sides was now unconcealed. Beginning in February 1988, the PDF sporadically used its military, policing, and other functions to harass U.S. servicemen and, in some cases, dependents. The

harassment technique was effective in part because PDF and U.S. forces were often in close proximity. As the crisis deepened, first the PDF and later the United States exploited the previously calm and cooperative working relationships that existed between the two sides. Fort Amador, for instance, contained a headquarters facility for Noriega as well as U.S. facilities. PDF officers attended U.S. military courses and schools. They were posted as guards at gates to U.S. facilities. In many cases, Panamanian and American officers who came into routine contact knew each other on a first-name basis. Both sides imposed strict requirements designed to avoid an armed confrontation that would have more serious repercussions. Nerves were frayed, however, and the potential for just such an incident clearly existed.

Gradually, U.S. objectives in Panama started to change. Shortly after the indictments were handed down, the first debates about U.S. objectives and the new threats to U.S. personnel surfaced. But the extent to which Noriega was a threat to U.S. interests more generally and to the U.S. citizens in Panama was still unclear. Equally uncertain was how much pressure would be required to nudge Noriega into retirement. For nearly two more years the Reagan and Bush administrations struggled to push Noriega to the breaking point without using force. Nevertheless, because of the indictments, the United States had to contemplate the possibility of taking action on a larger scale than had been expected before February 1988.

Following this new course, the United States tried to capitalize on weaknesses in domestic support for Noriega. When Noriega had left Panama on January 9, 1988, for a brief vacation, crowds had cheered his departure. One option was to back the nominal Panamanian head of state, President Eric Arturo Delvalle, in his effort to assert political authority. U.S. Ambassador Arthur Davis estimated that Delvalle might still have some influence with Noriega. Assistant Secretary of State Elliott Abrams met with Delvalle in Miami in mid-February. On February 25, Delvalle attempted to order Noriega to resign as head of the PDF. The United States put its full support behind Delvalle's initiative. Noriega used his control of the majority party in the National Assembly to counterattack. He dismissed Delvalle. The United States continued to insist that Delvalle was the legitimate head of state in Panama. With the help of Delvalle and other opposition leaders, the United States devised a plan to transfer Panamanian assets in U.S. banks to Delvalle's control. Approximately \$27 million was frozen.

Maneuvering against Noriega raised the level of unease within the PDF and caused one of Noriega's most loyal associates to try to prod the general into retirement. In mid-March, the government was unable to meet its payroll for 100,000 civil servants, in part because of the assets confined in the United States. On March 16, 1988, Chief of Police Colonel Leonidas Macias, led a coup attempt. Word of the uprising in the PDF reached the streets where protesters prematurely celebrated Noriega's downfall, but the coup was rapidly suppressed by younger officers loyal to Noriega.

Noriega had created a system of personal control in the PDF that allowed him to bypass senior officers like Macias. Younger majors and captains reported directly to Noriega from their various posts, giving him a network at his command that increased his hold on the PDF. The colonels who might have challenged Noriega for the sake of preserving the PDF from U.S. wrath found their ability to do so constrained by the new system of loyalties. The younger officers were instrumental in suppressing this coup attempt.

At this time, the United States conducted an airborne exercise in nearby Honduras. Operation Golden Pheasant was an exercise in rapid movement and deployment of a brigade-sized force. On March 18, troops from the 82nd Airborne and the 7th Light Infantry Divisions began the 10-day exercise in response to a Nicaraguan incursion into Honduras. Golden Pheasant had no direct bearing on the sort of action that would be carried out in Panama if the eventuality arose. Yet many of the same units later participated in Operation Just Cause. Whether the show of force impressed Noriega is uncertain. On the March 20 the government of Panama accused the United States of waging a "non-declared war" on Panama.

Negotiating remained a high priority. Through the State Department the United States began negotiations with Noriega a few days after the coup attempt. Deputy for Latin American Affairs Michael Kozak and Deputy Assistant Secretary of State William Walker visited Panama on March 18. Walker had worked with Blandon in 1987, and Kozak had been a negotiator for the 1977 Canal Treaties, but what they could offer was circumscribed by the indictments. One option was for Noriega to seek asylum in Spain, accompanied by a promise that the United States would not try to extradite him. Back in Washington, Abrams maintained that the United States "never seriously contemplated quashing the indictments." This set of negotiations continued until May 1988 before ending in failure. One observer noted that Noriega himself might settle for a deal to escape indictment. However, as head of the PDF, which some called "a criminal organization," Noriega could not disappear in safety.

Early in April 1988, Lieutenant General Colin Powell—then the Assistant to the President for National Security Affairs—admitted that the administration's policy of imposing economic sanctions intended to oust Noriega had been insufficient. Additional economic, military, and diplomatic steps were under consideration, Powell said. A few days later, an interagency Policy Review Group recommended that the president use the Emergency Economic Power Act to halt regular tax and other payments to Panama by U.S. businesses and individuals located there. The justification was that Noriega did not represent the valid government of Panama. The economic measures were designed to tighten Panama's strained supply of cash even more. The government failed to meet its payroll in mid-April, and a general strike was held in protest.

As the options of negotiation and economic pressure were tested, discussions of unilateral U.S. military action also began. Intervention would be difficult because of the solid opposition of Latin American nations to U.S. interventions. When asked if the United States would consider intervening with military force, President Reagan replied: "No, I don't think that's the answer." Vice President Bush appeared to differ although he did not call for intervention at this point. He explained: "We would obviously, as the United States, and I would, reserve the right to do whatever is necessary, including military force, to protect America's sacred interest in that region of the world."

One scholar, Richard Millett, wrote in the summer of 1988 that "the use of U.S. troops would be the ultimate admission of Washington's failure, not a means of making U.S. policy successful" in Panama. Intervening in Panama would signal a failure of the process set in motion by the Canal treaties. To justify intervention, U.S. objectives would have to undergo considerable change. The United States had not realized the full costs of doing business with Noriega in order to further other goals in Central America. However, the open indictments left little choice but to pursue a policy designed to oust Noriega. Diplomatic and economic pressures would have to be exhausted first, but after the indictments the United States did begin to consider and plan for the use of military force.

When PDF forces surrounded a hotel in Panama City, the level of unrest caused the administration to deploy more U.S. troops. But perceptions of how SOUTHCOM should handle the new situation varied considerably. Secretary of State George Shultz advocated a plan to send an additional 3,000 troops to augment the 10,000 man garrison. Indications were that the larger force proposed by the State Department would be able to take action in case of another coup. However, the decision was made to send only 1,300 troops. The units sent to Panama from the United States in April 1988 included 500 Army military police and

300 Marines. The force was described as a mixture of policing and headquarters elements, and their role was to insure the safety of American citizens and installations.

This decision reflected a reluctance to use military force in Panama without a clear set of objectives. At SOUTHCOM, officers estimated that Noriega would respond to military force more than to lesser pressures. However, the United States did not yet have the correct types of forces for a full-scale engagement with the PDF. More combat troops had to be added. Sending more troops of course raised the number of personnel at SOUTHCOM that had to be based in more secure facilities. Any action aside from sending requisite reinforcements carried a risk of embroiling the United States in conflict with the PDF. Casualties and hostage-taking among large numbers of U.S. citizens might require far more extensive U.S. military action. The augmentation did not signify political readiness to intervene.

While the State Department took a more aggressive view, Secretary of Defense Frank Carlucci, Joint Chiefs of Staff (JCS) Chairman Admiral Crowe, and General Powell at the NSC all presented arguments against the use of force. Their argument was that SOUTHCOM could handle the situation in Panama for the present and that more U.S. troops should not be sent until specific policy objectives were devised. One observer commented at that time that the State Department had embroiled the U.S. military in Lebanon in 1982-1983, and there were bitter memories of the tragic results. Washington did not yet have the political will to use force to bring Noriega to justice.

Starting in 1988, efforts were made to reduce the number of U.S. citizens and dependents in Panama. Planes conveying reinforcements from the United States were made available to take military dependents back home. Some took this option, but most remained in Panama. By mid-1989 nearly all U.S. embassy dependents had been sent back to America. Other measures were taken to improve the security of U.S. citizens. But two factors constrained any evacuation. The majority of U.S. citizens in Panama were individuals not under the direct control of the Department of Defense. Some of these civilians worked for the Department of Defense, as teachers, for example, and a group of teachers was relocated to housing on U.S. bases. In these cases, the United States had no real authority to order private citizens to leave Panama. Even the idea of evacuating all the military dependents posed problems. A particular concern was that morale might suffer. The large-scale transfer of dependents and other civilians was impossible for all practical purposes. SOUTHCOM could not expect to operate in Panama without the constant element of risk to the U.S. nonmilitary personnel there.

Definite constraints on the use of force and lingering disagreements over whether Noriega could be tolerated inhibited the making of clear choices among U.S. objectives. By applying pressures and opening negotiations, the United States hoped to compel Noriega to resign voluntarily as head of the PDF. Another possibility was that officers in the PDF would force Noriega to retire. In April, Secretary of State George Shultz urged Reagan to order covert actions or military intervention. As one official argued, the State Department had put U.S. prestige on the line and now wanted the Pentagon to bail them out. The issue of stepping up covert operations was shelved because of disputes within the administration. Reportedly, five or more covert action plans were considered between March 1988 and November 1989. Plans that might violate the ban on U.S. participation in assassinations were rejected outright. Extricating Noriega by force would be a major undertaking. Without support from the PDF the chances for putting Panama back on a democratic track might not improve greatly. For these reasons there was a strong tendency to fall back on the tactic of trying to cope with Noriega and the institutional power of the PDF.

Attitudes in Latin American countries were also a compelling restraint on unilateral U.S. action to bring Noriega to justice. Another policeman's intervention by the United States could be a real setback for the whole of American policy in Latin America. Until the final months of the crisis in 1989, the United States sought to coordinate its policies with those of the Organization of American States (OAS). Privately, several leaders of OAS states also wanted to see Noriega out of power. In public statements, however, neither the OAS nor individual Latin American nations could fully support U.S. interference. In Panama and elsewhere, the image of Yankee imperialism in Latin America was a genuine obstacle. The nations of Latin America had a record of solidarity in opposing any heavy-handed maneuvering by the United States. To depose a de facto head of state and bring him to trial in the United States would be viewed as interference on a major scale. The OAS would have to follow the articles of its charter and condemn a foreign invasion.

Finally, one of the biggest factors shaping U.S. policy toward Panama was the 1988 presidential election in America. The White House did not want Panama to become a campaign issue that would potentially damage Vice President George Bush's chances at winning the election. The situation in Panama was deliberately allowed to simmer and to slip from public prominence for domestic, party-political reasons. Several officials recalled that the issue of Panama cooled off considerably as the campaign season began. Following informal tradition, the outgoing Reagan administration did not wish to commit its successor to a particular policy. Also, there were indications that the aftermath of the Iran-Contra

scandal of 1986 had left Vice President Bush vulnerable to scrutiny on his official contacts with Noriega. Panama had been an emotional issue in previous presidential campaigns and the administration sought to avoid inflammatory debate and accusations. As a result, little progress was made to clarify U.S. objectives until the beginning of 1989. President Reagan had said in May 1988 that "Noriega must go," but Reagan's last months in office brought the United States no closer to realizing this goal.

Two thresholds were crossed in January 1989. In Panama, Noriega decided not to resign as head of the PDF, a prerequisite if he had wanted to run for the presidency in the May elections. Rumors about Noriega's seeking the presidency abounded, especially since the PDF controlled the election system. His choice to remain as Panama's military ruler indicated that only as head of the PDF could he maintain the necessary power to insulate himself from the indictments and control potentially rebellious factions in the PDF and the rest of Panama. The friction between Panama and the United States now centered on the fact that Noriega would not relinquish the political power he commanded in Panama. Noriega had little to lose by holding on to his position, because the U.S. indictments and his relationship with the Medellin cartel meant that the options open to him if he stepped down were exile, jail, or death. Noriega's stance meant that the United States would have to increase the pressure to remove him from power.

The inauguration of George Bush refocused Washington's attention on Panama. Gradually, the Bush administration introduced a new team of officials that was able to achieve consensus on policy toward Panama. Observers of the transition noted that where the Reagan administration had run out of steam during its last year, Bush wanted to do something about Noriega. "It was never difficult to get Bush to concentrate on the Panama issue," explained a former NSC official. Several officials noted that from the start the Bush administration adopted a more realistic attitude than its predecessor toward the type of action that the United States might need to take, including the possibility of military intervention. The almost bellicose view of some State Department officials in the Reagan years altered as new appointees took up their posts. The State Department continued to push Panama and Noriega to the top of the presidential agenda, but this was in keeping with Bush's interests as expressed while he was still vice president.

With the crucial test of the May elections approaching, the Bush administration undertook a review of policy toward Panama. The reevaluation was part of the administration's highly publicized overall review of foreign policy. Some hope remained that the elections might provide a way for Noriega to find a graceful exit. Low-key attempts

at negotiation by the State Department were still under way. For the moment, the United States was willing to wait. However, Washington was aware that Noriega was a potential military problem. Several chilling incidents of harassment of U.S. citizens occurred in the spring of 1989, increasing tensions on both sides.

In April and May, the United States began to warn publicly that Noriega would attempt to have his candidate win the upcoming election by fraud. Attempts by the United States to influence the elections consisted mainly of renewing the economic sanctions against Panama for another year. Some funds were provided to assist the opposition parties. However, this was a delicate path because overt U.S. assistance could stir nationalist and anti-American sentiment, thereby strengthening Noriega's hand. Whether efforts to influence the elections were a viable policy is difficult to judge. More than anything else, opposition candidates were hampered by the political repression that Noriega had intensified since 1987. Skepticism about the chances of the political opposition prevailed in Washington. To many, it would be a surprise if the opposition could mount a challenge to Noriega's hand-picked candidates.

Perhaps Noriega himself also thought he could guarantee the results. His candidates had the advantage of traditional appeal outside the middle class voters that provided the bulk of support to the opposition. He allowed numerous international observers to converge on Panama to monitor the elections. The most prestigious of them was former President Jimmy Carter. Reportedly Noriega approved of Carter's presence because he expected that the signer of the 1977 treaties would stand by the election result even if the outcome favored Noriega's preferred candidates. In the event, Carter's impartial presence and denunciation of Noriega's tactics swayed world opinion and highlighted the illegitimacy of Noriega's control.

The elections were held on May 7, 1989. Noriega backed presidential candidate Carlos Duque. Heading the opposition as the presidential candidate was a businessman, Guillermo Endara. Independent exit polls placed the opposition in the lead with almost 70 percent of the vote. Similar data from the Roman Catholic Church confirmed that the opposition candidate and his slate should have won by a large margin. Yet the official results were released by election tribunals who owed allegiance to Noriega. As of Monday, May 8, the election tribunals had not begun to canvass the vote to assess the charges of fraud. Carter denounced the results, saying that "the military dictatorship decided not to let the true vote be revealed." On May 10 the regime announced that the elections had been annulled. They claimed that the United States had interfered with the election and that fraud by the opposition coalition made it "impossible to determine the winners."

Amidst the post-election chaos, members of the paramilitary "Dignity Battalions" attacked Endara and his two vice-presidential candidates near the opposition party's headquarters. As PDF soldiers looked on, the so-called Dignity Battalions severely beat vice-presidential candidate Guillermo "Billy" Ford. Ford's bodyguard was killed and Guillermo Endara and others were wounded in the fray. Ford was rushed to the hospital while Endara took refuge in the Papal Nunciature in Panama City. The violence shocked the world and catapulted Panama into the spotlight of international condemnation. U.S. military forces were placed on alert and personnel were told to remain on U.S. military facilities and to stay out of public areas except for essential business. Some effort was made to convert temporary housing facilities to accommodate dependents with homes off-base.

Immediately after the elections and the spree of violence, the Bush administration took several steps, including the recall of U.S. Ambassador Arthur Davis. Also, the president ordered a brigade-sized force to Panama to provide extra protection for U.S. citizens in case of emergency. With some 70 C-141 sorties, the United States moved 990 troops from the 7th Light Infantry at Fort Ord and other contingents for a total of 1900 soldiers and supporting equipment. Along with elements of the Marine 2d Expeditionary Force came 726 members of a mechanized infantry battalion from Fort Polk, Louisiana. JCS Chairman Admiral Crowe agreed to the reinforcement with reluctance. Crowe's argument was that if there were no more attacks on U.S. personnel, then sending more troops was unnecessary. As another military officer put it, more U.S. troops might just be additional ammunition for Noriega to use to his advantage.

Bush overruled Crowe on the grounds that a show of U.S. resolve was needed to deter more violence. The president's decision was heavily influenced by a handful of harassment incidents that occurred just after the elections. Two defense attaches were arrested, then released, and a night earlier a U.S. Navy enlisted man was beaten up by pro-Noriega forces. Since February 1988, 690 incidents of harassment had been recorded. Bush's choice also suggested that he had decided to carry on the policy of insisting on Noriega's removal. Noriega's stark defiance of justice and the harassment of U.S. personnel perhaps persuaded Bush that the United States could no longer reach any accommodation with Noriega. A real threat to U.S. security interests existed, as illustrated by the appearance of the paramilitary Dignity Battalions, loyal exclusively to Noriega. Once this assessment was reconfirmed the remaining question was how the United States could act to depose Noriega. For the time being, encouraging a domestic solution was the main course.

Secretary of Defense Dick Cheney probably captured the opinion of many in the administration when he said, "We'd love nothing better than to see Noriega step aside." Bush and other officials defined the problem in Panama and the thwarted elections as a conflict between Noriega and the people of Panama. Then, in a widely publicized discussion with reporters, Bush suggested on May 12 that the PDF and the Panamanian people should rise up to overthrow Noriega. "The will of the people should not be thwarted by this man," Bush concluded. His remarks were widely interpreted as encouragement for another coup. Bush added that the PDF would not need support from the United States, saying that Noriega was only one man and the PDF was well-trained. Also, the president appeared to reopen the option for Noriega to step down and seek asylum in return for a U.S. pledge not to pursue him with the indictments. However, Bush also stated specifically that the United States would not drop the indictments outright because such a move would carry "profound implications for our fight against narcotics."

The broader policy of the war on drugs gave U.S. objectives a legitimacy that offset the restraints on intervening in a foreign country. But the factor that brought Noriega and Panama to the top of the U.S. agenda was the threat to U.S. lives. This was yet another example of a feature prominent in national security policies in the 1980s, the focus of national attention on the plight of individual Americans: hostages, as in the Middle East, or the safety of Americans abroad, as in the Grenada invasion. Here U.S. objectives were shaped by a combination of immediate concern for U.S. personnel and the longer-term prognosis for Panama and the process of turning over the Canal. After May 1989 Noriega was a demonstrable threat to the security of U.S. forces. The appearance of the Dignity Battalions increased anxieties over the safety of U.S. citizens in Panama.

During May, the machinery for evaluating policy options shifted into a higher gear. Previously the Policy Coordinating Committee (PCC) for Panama had met once a week, sometimes more frequently, but from May and through the summer it met on a daily basis, often for a few hours at a time. Because of the number of PCCs meeting continuously on various issues, officials often delegated their subordinates to attend PCC meetings in order to spread the burden. However, from May the level of representation at the Panama PCC received higher priority. Representatives from the Department of Justice and from the Department of the Treasury's Office of Foreign Asset Control attended PCC sessions regularly, and as many as 40 participants joined the sessions. Auxiliary working groups considered specific options in greater depth. As the members of the PCC met more and more frequently, the new group of officials developed a good working environment and a

high degree of consensus. Recommendations were then presented to the council of deputies, who forwarded suggestions on to the NSC for discussion at the highest level. Partly because of the intense concentration on the Panama situation during the summer and autumn of 1989, this system of formulating policy options functioned well. Gone were the disputes and leaks that had plagued interagency discussions during the Reagan administration.

The summer of 1989 was a period of frustration and uncertainty for the United States. Under the terms of the Canal treaty, the United States exercised its right of access to certain areas it had not used for years. SOUTHCOM also drilled its forces in highly visible maneuvers as one means of applying more pressure to Noriega. The level of frustration was high at SOUTHCOM, too. Some military observers had long perceived a need for the United States to intervene but had followed the official policy of applying pressures short of outright force.

President Delvalle's term of office in Panama did not formally expire until the end of August, and the United States continued to recognize him. A package of pressures and diplomatic overtures through the OAS were combined to produce a last attempt to get Noriega to recognize the election results and allow an Endara government to take over in September 1989. The OAS appointed a three-man team of negotiators with diplomats from Ecuador, Trinidad and Tobago, and Guatemala to negotiate with a Noriega representative. The objective of the OAS team was to arrange for some form of transition, and for a while Noriega kept up the appearance of participating in good faith. When the OAS overtures failed toward the end of the summer, many surmised that Noriega had simply used that device to stretch out the legitimacy of his authority, since the elections had put him under the glare of world opinion.

At the end of August, Delvalle's presidential term expired and the United States reached a complete diplomatic impasse with Panama. A provisional Panama Council announced that Francisco Rodriguez would take over as President. Bush severed diplomatic relations with Panama on September 1. In an effort to build support for U.S. pressures on Panama, Acting Secretary of State Lawrence Eagleburger addressed the OAS, repeating the charges against Noriega. Eagleburger cited Noriega's direct involvement in the transshipment of drugs through Panama to the United States. He reminded OAS delegates that Noriega had given refuge to Medellin cartel members after the murder of Colombia's Justice minister in 1984. Copies of the February 1988 indictments with their details of money laundering and other criminal activities were distributed to OAS delegates. In return, the Panama Council said that new elections could not be held until U.S. "aggressions" (such as the treaty assertion exercises) ended, and until the freeze on assets was lifted.

Eagleburger's speech outlined the administration's public case against Noriega. The fact that U.S. officials had long known of Noriega's corruption was, of course, not mentioned. Now, the objective of deposing Noriega in order to ensure the safety of the Canal and the treaty process was combined with the objective of bringing him to justice. However, as one reporter wrote, these events "left Panama totally in the hands of Noriega and the United States without any realistic options for forcing his downfall." A complete trade ban was not imposed because the administration judged it would hurt SOUTHCOM, U.S. businesses, and the middle class Panamanians who opposed Noriega. Yet neither the sanctions applied so far nor the diplomatic and military pressures had done their jobs. Military intervention was the only other major option, but it would risk disapproval in Latin America and around the world. The United States did not want to intervene unilaterally if it could be avoided. Although the United States had made its goals clear in 1988, policymakers had only recently begun to acknowledge that intervention might be the only way to fulfill those goals.

Another deadline was approaching at the end of 1989. According to the 1977 treaties, a Panamanian would take over as administrator of the Canal for the first time. On September 2, the Bush administration refused to consider the appointment of an administrator selected by the Noriega government. This added problem illustrated how deeply U.S. policy was involved with the domestic political situation in Panama. In Theodore Roosevelt's terminology, the ties of civilized society in Panama had loosened; and the United States was beginning to see that given the charges against Noriega and the harassment of U.S. personnel, it might be necessary to resume the role of policeman in at least this small portion of the Western Hemisphere.

IV. THE DECISION TO USE FORCE

General Maxwell Thurman became the new CINCSOUTH on September 30. Thurman's appointment was seen as a sign that Washington was now willing to use force to steer Panama back toward a democratic path. Also, after October, Noriega's erratic behavior increased the sense that U.S. personnel could be in danger.

The turning point was a failed attempt by junior PDF officers to depose Noriega. Just as George Bush had wished in May, PDF officers tried to depose Noriega in October. Major Girolodi's goal was to lead a bloodless "barracks coup" and to force Noriega to retire as head of the PDF. A date was selected when the provisional President Francisco Rodriguez was out of the country. Surprisingly, Girolodi's troops were drawn mainly from a group of younger officers whose loyalty Noriega had cultivated. Girolodi had been among those who put down Colonel Macias's coup attempt in March 1988. The rebels were concerned that the coup be nonviolent. They occupied the PDF headquarters just before dawn. Noriega was held inside as Girolodi's officers began the process of polling other garrisons across Panama to see if they would support the takeover.

As the coup began, U.S. troops took up positions to block the route for reinforcements to reach PDF headquarters. Girolodi requested this limited action in advance; and in complying, the United States was also taking precautions to guard its own military installations. With Noriega still detained in the headquarters, representatives of the rebels came to the gates of the U.S. facility at Fort Clayton. They consulted with General Marc Cisneros, Commander of U.S. Army South and Thurman's deputy. Following instructions, Cisneros listened to the request and then contacted the new Chairman of the JCS, General Powell. Powell outlined three options for SOUTHCOM: to take Noriega if the rebels delivered him to the United States; to take Noriega covertly; or to take overt action to seize him, although presidential approval would be required. These measures had to be carried out without a great visible display of U.S. power and had to avoid an eruption of armed conflict between the United States and the PDF.

For Washington, the coup occurred at an awkward moment. Thurman had assumed command just a few days earlier, on September 30. Powell took over as Chairman of the JCS on October 1. The NSC's Senior Director for Latin American Affairs, former Ambassador Everett Briggs, had resigned on September 29 because of disagreements with other government elements on policy toward Panama. The Pentagon Crisis Action Center

had been staffed and ready beginning on October 2, but the lack of information about Giroldi's group and real doubts about what he would do if he succeeded impeded U.S. action. A major concern was that the rumored coup might be a set-up that would trap U.S. forces in an embarrassing situation. Worse, U.S. servicemen might be captured by Noriega and become hostages. Many were troubled by the idea of Noriega apprehending U.S. forces attempting to assist in an alleged coup. Major Giroldi repeatedly made it clear that the rebels sought a Panamanian solution and did not want Noriega to be extradited and forced to stand trial in the United States. Only limited U.S. assistance was ever sought; none was rendered because the coup unravelled too quickly.

Noriega was held in custody by Giroldi's group, but they left him alone briefly in a room that contained a telephone. As CIA Director Webster later explained in an interview, Noriega telephoned one of his mistresses with a request for help. Troops loyal to Noriega were alerted and soon surrounded the headquarters. Toward mid-morning, U.S. officials saw members of the elite Battalion "Machos del Monte" drive past the American Embassy on their way to assist Noriega. Twenty-six casualties were reported in skirmishes between the PDF and the rebels. Giroldi's messengers were still talking with U.S. officers at Fort Clayton when forces loyal to Noriega regained control of the Commandancia.

During the coup, senior officials in Washington had great difficulty assessing the position and objectives of the rebels. NSC adviser Brent Scowcroft cited the "fog of war" to describe what hampered the U.S. reaction. In fact, the conditions were not right for intervention. Although the Bush administration had hoped for a coup or some other solution from within the PDF, no one was willing to risk U.S. forces in a hasty, unplanned operation. Secretary of State Baker said: "If you're going to risk American lives, it's the President's view that you do so on your own timetable." A U.S. official in Panama remarked that "it was not our coup. For us to go in would have been a mission beyond the scope of U.S. policy. That was not part of our planning process."

Yet as critics pointed out, Bush had plainly called for Panamanians to unseat Noriega in remarks he made after the May elections. Also, public opinion clearly favored some plan to oust Noriega. As word spread that the rebels had held Noriega for a few hours, a storm of criticism was unleashed in Congress. The bottom line was that Reagan and Bush administration rhetoric about getting rid of Noriega had not been matched by planning for concrete action. Now it looked as though a golden opportunity to assist the PDF had been lost.

However, the risks associated with supporting the coup were not widely appreciated. Contact between the United States and discontented officers in the PDF was too poor for efforts to be effectively coordinated. Also, relations between the United States and Panama were bad, and Girolodi did not want to call on U.S. intervention. The October coup showed that there was a gap between U.S. objectives and ability to gauge and act on the domestic situation in Panama. Some policymakers may have believed that if the United States did intervene it would not be easy to work with elements of the PDF.

After the coup attempt, planning for possible U.S. military intervention accelerated. The situation in Panama was now more dangerous. Until the October coup attempt, Noriega's response to U.S. pressures had seemed predictable: Noriega would push a little to test the limits set by the United States by increasing incidents of harassment. Wisely, he never directly challenged the Canal, perhaps because a threat to that major strategic asset would have been a move the United States could not ignore. From long experience, Noriega was well acquainted with the process of policymaking in Washington and with the way the U.S. military worked. Possibly he realized that past a certain point, the United States had not formulated policy options that were fully coordinated.

The coup angered Noriega and made his behavior considerably more difficult to predict. Girolodi and a few of his co-conspirators were executed almost immediately. In Panama, the sense was that the PDF might become a real threat to the U.S. citizens resident there. Also, it was intolerable for Noriega to continue to control the Panamanian government. Its legitimacy was in tatters, and Noriega's change in behavior after the coup indicated that the PDF would follow few restraints in resisting U.S. pressure.

A positive effect of the coup attempt was that it generated political consensus in Washington. The Congress and all the departments now agreed on the need for American action. One point of agreement within the Bush administration was that Noriega had to be deposed. Part of the reason was that since the indictments, U.S. policy had centered on apprehending Noriega. However, the aftermath of the coup made clear that unless Noriega was removed, it would be nearly impossible to squelch the influence of the PDF in Panamanian politics. U.S. policymakers had not evaluated the costs of attempting to undermine Noriega before the indictments were produced in February 1988. However, partly because of the constraints of the indictments, and partly because of Noriega's behavior, no choice remained except to oust the dictator.

With the consensus in place, the pace of planning for military intervention increased. Powell and Thurman rapidly initiated more revisions to the BLUE SPOON contingency plan (forerunner to JUST CAUSE), to cover the range of possible U.S. actions. The augmented U.S. forces in Panama were now both a source of concern and an asset for U.S. planners. Although the reinforcements in 1989 had aggravated tensions with the PDF, it was now much simpler to plan on a large-scale unilateral U.S. intervention. Three variables pointed toward U.S. success if BLUE SPOON were carried out. First, SOUTHCOM's infrastructure and command systems were already in place. Second, several airfields were already secure. Third, the United States would have uncontested air superiority from the beginning of the operation. Meanwhile, the services had the luxury of being able to rehearse most all of the elements of the revised BLUE SPOON contingency plan.

Finally, the formulation of U.S. objectives in this period included calculation of the world reaction to a U.S. intervention. The Carter-Torrijos Accord of 1978 clarified the status of the U.S. military in Panama. The Accord gave an interpretation of the U.S. right to defend the Canal, saying it

does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action shall be directed at insuring that the Canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

Another constant factor was whether intervening in Panama would adversely affect the U.S. position throughout Latin America. U.S. policymakers had to take seriously that an invasion would be a violation of sovereignty. The central question was whether Noriega genuinely represented the people of Panama. The preference of the voters in the May elections showed that he did not. Acting to install the Endara government as the legitimate representatives of Panama's people was the crucial "just cause" for U.S. intervention.

Spokesmen for the Bush administration periodically announced that the United States was reviewing the ban on participation in assassinations, the ban that had been set out in a presidential directive during the Ford administration. Early in November, the Department of Justice decision on the so-called "posse comitatus" issue ruled that the U.S. military could participate in the arrest of individuals outside the United States. In mid-November, President Bush approved \$3 million in funds for covert action in Panama. As publicly reported, the funds were earmarked to recruit Panamanian military officers and exiles to overthrow Noriega. The mood in Washington favored outright military intervention.

The chance came in December. On December 15, the Panamanian Assembly, controlled by the party loyal to Noriega, declared General Noriega to be the "Maximum Leader for National Liberation." That same day, a Friday, a resolution was passed declaring Panama to be in a state of war with the United States. The resolution was similar to other antagonistic announcements that Noriega had made since U.S. sanctions were imposed, but now that the United States was prepared to intervene, it was a serious mistake. The "declaration of war" gave the United States a formal justification for intervening to aid U.S. forces. More important, the paramount objective of protecting U.S. personnel dovetailed with the policy of deposing Noriega. If U.S. personnel were clearly at risk, and if Noriega regarded Panama as at war with the United States, the Bush administration could launch its plan to end the PDF control over Panama.

In this tense atmosphere, two tragedies persuaded President Bush to give the order for the intervention. In downtown Panama City, a car carrying four U.S. servicemen was detained at a PDF road-block near the Commandancia, Noriega's headquarters. The PDF sentries approached the off-duty U.S. servicemen with safeties released from their weapons. Sensing danger, the driver of the car accelerated and attempted to run through the road-block. Shots were fired by the PDF and Lieutenant Robert Paz, USMC, was fatally wounded. Meanwhile, a U.S. Navy officer and his wife had been stopped at the same checkpoint. The Navy officer was kicked and beaten while his wife was forced to stand in a position so gruelling that she later collapsed. PDF soldiers threatened the woman with sexual violence. Eventually the pair were released and they returned to base to report the incident.

These two incidents eliminated all hesitation in the White House. As George Bush explained when Operation Just Cause was under way, the death of the Marine and the treatment of the Navy officer and his wife led the President to decide that he had had enough. The final options short of using force were nearly exhausted. A solid contingency plan had been complete and ready for more than six weeks, and using the latest modifications of the BLUE SPOON plan, U.S. forces had been trained for the intervention. Sufficient cause for intervention existed and the consensus in Washington supported intervention as an objective. Bush met with JCS Chairman General Powell, NSC adviser Brent Scowcroft, Secretary of Defense Dick Cheney, Richard Darman (Director of the Office of the Budget and Secretary of State Baker's protege), and Vice President Dan Quayle on Sunday, December 17, 1989. During that meeting, Bush decided to order the intervention.

Bush was influenced by the fact that Powell advocated intervention. As NSC adviser during the Reagan administration, and then as Chairman of the JCS, Powell was particularly well aware of Noriega's growing menace. Until sometime after the debacle of the May 1989 elections, Powell was against U.S. intervention in Panama. What one reporter described as "the conversion of General Powell" was an illustration of how the deepening crisis in Panama had altered U.S. objectives in recent months. Bush was also convinced that if the United States waited, the 50,000 Americans in Panama might be in danger. The administration was particularly concerned that the PDF might hold hostages.

As Bush explained once the operation was under way, the U.S. objectives were to protect U.S. personnel, to restore democracy in Panama by installing the Endara government, to apprehend Noriega and destroy the power of the PDF, and to protect the Canal. Two of these objectives were variations on the original goals of promoting democracy in Panama and defending of the Canal. However, guaranteeing the safety of U.S. personnel and apprehending Noriega were objectives generated during the crisis of the late 1980s.

The intervention began on the night of December 19. Viewers in the United States saw evening network news reports of troops departing Fort Bragg, North Carolina, and heard anchormen speculate on whether the United States was launching an invasion. But Noriega discounted the rumors. The PDF was taken by surprise, just as the United States had planned. Capturing Noriega was a secondary concern compared with the main objective of rendering the PDF unable to function as a unit. Thurman and Powell wanted the U.S. forces to accomplish their objectives quickly, but it was just as well, they decided, if the taking of Noriega was handled less quickly. Noriega himself evaded capture for five days, then sought refuge in the Papal Nunciature in Panama City. On January 3, he surrendered to SOUTHCOM officers and was quickly handed over to officers from the Drug Enforcement Agency. The DEA agents took Noriega to Miami to await trial on the 1988 charges.

V. CONCLUSION

This Note has concentrated on the process of policy formulation and decisions leading to the large-scale police action known as Operation Just Cause. By December 1989, the dangers and frustrations of contending with Noriega fully justified intervention, and President Bush won immediate support for the action, both from Congress and from a majority of the American public.

In a broader sense, the decision to intervene was a last-resort option stemming from a sequence of errors and mismanagement. Conflicting U.S. objectives in Panama and the Central American region in the 1980s were at the root of the problem. Another major factor was the failure of the Reagan White House to reconcile and set priorities among these objectives, or to recognize that in the case of Panama, the conflicting strands of U.S. policy would ultimately strengthen Noriega's hand and make it more difficult for the United States to ensure that a stable, democratic Panama would be ready to run the Panama Canal by the year 2000.

Panama was a friendly and hospitable country when the newest Canal treaty was signed in 1977. But a different relationship developed in the early 1980s. Active U.S. support for anti-Communist forces in Central America clouded other long-term objectives in the region. The U.S. military facilities in the Canal Zone were now an asset for aiding the Contras challenging Sandinista rule in Nicaragua. The future of Panama itself was no more than a sideline issue. The United States remained unconcerned over the changes in Panama after the death of Torrijos—most notably, the rise of Noriega and the PDF, and the demise of the electoral system. Despite the new relationship envisioned by the Canal treaties, Panama had much the same status as a client state.

These conflicting policy priorities ensured that as long as Washington was preoccupied with other activities in the region, the United States would not challenge Noriega's growing influence in Panama. By the mid-1980s the policy process itself was part of the problem. Between 1986, when Congress began to take an interest in Panama, and February 1988, when the indictments were served, U.S. policy toward Panama reached a peak of confusion. At the State Department, many experienced diplomats believed it would be impossible to work with Noriega over the long term. At the Justice Department, taking the war on drugs across international boundaries was the main priority. U.S. military officials at SOUTHCOM and in Washington noted the decaying situation but were

accustomed to performing their duties, which included close routine contacts with the PDF. Less is known about the attitude of the CIA and of NSC officials from 1986-1988, but Noriega's continued contact with them indicated that he still filled a useful role.

The slide toward crisis beginning in June 1987 caught the departments and agencies of the executive branch with no clear basis for dealing with Noriega's infractions. Assessments varied as to how much damage Noriega was doing to Panama's democratic system. Even as Noriega grew more defiant of U.S. diplomatic signals, disagreement within the executive branch effectively prevented interagency working groups from formulating an overall course of action. The recourse of waiting for the results of the scheduled 1989 elections became the de facto U.S. policy in the absence of any consensus or guidance.

In the interim, the United States employed increasingly stringent economic sanctions against Panama. Unfortunately, the principal effect was the rapid deterioration of the dollar-dependent Panamanian economy. Although it is generally difficult for one nation to apply effective sanctions against another, Panama's close ties to the United States gave Washington unusual leverage. Panama's banking system formed such an integral part of its national economy that U.S. pressure on the banking sector had considerable effect. The trouble was that the sanctions were implemented partly because they were a simple way to signal disfavor. Washington had little conception of what they hoped the sanctions would achieve. In the end, the sanctions hurt Panama but scarcely grazed Noriega's control over the PDF. The riots and the coup attempt of March 1988 showed how the sanctions were destabilizing Panama without undermining Noriega.

Of all the wrong turns made in U.S. policy toward Panama in the 1980s, the decision to serve Noriega with two public indictments was perhaps the worst. Here the lack of guidance from the White House was particularly to blame. Had other parts of the executive branch been informed of the progress of the Florida indictments, the administration might have been able to assess the potential effect on Noriega. Instead NSC officials approved the indictments seemingly without realizing that they would further commit the United States to deposing Noriega. The public indictments also made it much less attractive for Noriega to step down voluntarily. Now the United States was irrevocably committed to playing a policeman's role in Panama again.

The final episode of the Reagan administration was the suppression of Panama as a policy issue during the 1988 presidential campaign. This further example of malign neglect meant that the problem of Noriega was put on hold at the very time when the indictments should have provoked a thorough review of the U.S. options.

The tide turned with the inauguration of George Bush. With the pivotal Panamanian elections only a few months away, Bush and his advisers began the necessary reevaluation of U.S. interests and options. Noriega's blatant misconduct in nullifying the election results, and the violence used by the PDF, drew international condemnation. In the wake of the election debacle, Bush stated that Noriega must not be allowed to continue to control Panama's domestic politics and society.

Despite the newly generated consensus in Washington, the Bush administration still had several problems to face in getting rid of Noriega. Bush had urged Panamanians to depose Noriega, but when the coup attempt came in October, U.S. officials were caught unprepared to render assistance. Supporting a coup would have been an extremely delicate project, but given Bush's statements in May, more thought should have been given to ways for the United States to lend assistance, or at least to react to a Panamanian coup.

The Bush administration still had to contend with the residue of earlier policies. The existence of the indictments made negotiations with Noriega practically impossible. Economic sanctions and most of the other U.S. policy options short of the use of force had already been tried. Noriega was identified as a drug-trafficker and a dictator whose hold on Panama would prevent democratic elections and threaten U.S. interests; after a point, the United States could not afford to let him remain in power. By the end of the summer, the important question seemed to be whether a Panamanian coup would oust Noriega or whether the United States would eventually feel compelled to intervene.

The Bush administration approached planning for the use of force with some reluctance. This was something of a case of conflicting objectives, too. If the President was willing to use force to apprehend Noriega, more detailed contingency planning should have been ordered sooner. The failed October coup caused such a change in Noriega's behavior that U.S. officials grew more concerned for the safety of U.S. personnel in Panama. Had an incident similar to the killing of the Marine officer and the assault on the Navy officer and his wife occurred in October, the United States would not have been nearly as well prepared to intervene.

From October 1989 through the launch of Operation Just Cause on December 19-20, 1989, the U.S. policy process functioned smoothly. Opinion in Washington, from the Congress through the departments and agencies of the executive branch, was unified in favor of ousting Noriega. The interagency Policy Coordinating Committee for Panama now reaped the benefits of their effort to develop a cooperative and effective working atmosphere over the summer of 1989. Most important of all, the Panama issue received coordinated,

high-level attention from Bush's closest advisers. In November, U.S. forces even had the opportunity to rehearse parts of the Operation Just Cause plans.

The case of Operation Just Cause provided several lessons on the costs of conflict between the Reagan administration's short-term goals and the long term goal of stability in Panama. Bush's decision to use force was a difficult process and it was constrained from the outset by the legacy of the Reagan years. The question of whether Bush's decision was unavoidable simply cannot be answered in the context of the events of 1989 alone, since earlier decisions had foreclosed or reduced the effect of options short of intervention. The ultimate success of Operation Just Cause was due mainly to the clearer goals and improved coordination among policymakers in the Bush administration.